Chapter 8.—Loans and Advances.

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Forms of Drawing and Repaying.

114. Loans and advances may not (except in the cases specified below, and in cases provided for by the Civil Service Regulations) be drawn from a treasury without authority of Government, which authority must be quoted in the voucher upon which the amount is drawn.

115. In repaying a loan or advance, the memorandum presented at the treasury must state the original date and amount of the loan or advance, or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal, the interest must be separately specified; and if the repayment is a fixed periodical amount, including both interest and principal, the orders fixing the amount should be quoted.

1. It must be remembered that the calculation fixing the amount of equal periodical instalments, by which an advance is repaid with interest, presupposes punctual payment of the instalments, and that, if any instalment is not punctually repaid, the fixed instalment will not in the end discharge the loan.

2. A personal advance to a public officer may be repaid, either by deductions in his salary bill, or in cash; but in all cases the amount and date of the advance must be quoted. Remittance of the amount to the particular treasury where the advance was made is not necessary.

Sanction.

116. Advances of unusual character or of large amount always require the previous sanction of the Government of India; and no loan, even from Provincial or Local Funds, may be made without such sanction, save as specially provided below.

117. Cancelled.

Calculation of Interest.

118. A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than a complete half-year will be:—Number of days ÷ 365 × yearly rate of interest.

COMPTROLLER GENERAL'S OFFICE.

Page 54—

Substitute the following for the headings in Chapter 8:-

Chapter 8.—Loans and Advances.

Sanction 114
Estimates 116
Provincial Loan Account :—
Advances from Provincial Allotments *117*
Interest payable by and to Local Governments *119*
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Articles 114—135, pages 54—61—

Substitute the following for the present Articles 114—135.

Sanction.

114. The sanction of the Secretary of State in Council is required to the grant of—

(1) a loan which is—

(*a*) of an unusual nature; or

(*b*) devoted to objects outside the ordinary work of administration, and

(2) a loan to a Native State in excess of ₹5 lakhs or a series of separate loans granted at short intervals to an amount exceeding 5 lakhs.

NOTE.—In any case where a cash grant would be within the powers of sanction of the Government of India, the grant of a loan of an amount not exceeding that of the cash grant, does not require the sanction of the Secretary of State in Council.

115. Loans and Advances which do not infringe the conditions laid down in the preceding article may be sanctioned by the Government of India or the Provincial Governments, subject to the conditions mentioned below.

Estimates.

116. Provision should be made in the estimates for all loans and advances which can be foreseen and which are not repayable within the year; and the Government of India has accordingly directed that each Local Government and Administration should make a timely estimate both of the advances and of the recoveries of the coming year, and should communicate it to the Accountant General for entry in his estimates. As regards Loans and Advances coming within the Provincial Loan Account, see Article 120 below.

Provincial Loan Account.

Advances from Provincial Allotments.

117. Local Governments with which Provincial arrangements are in force, may grant advances and loans for any of the purposes enumerated below out of allotments placed at their disposal by the Government of India:—

Class I.—Advances to cultivators under the Land Improvement Loans Act, the Agriculturists' Loans Act, or any other Acts; loans under the Co-operative Credit Societies Act; and loans under the Burma Fisheries Act.

NOTE.—Rules under the Land Improvement, Agriculturists' Loans, and other similar Acts regulating the procedure for making applications for loans, and the conditions under which they may be sanctioned, are passed by each Local Government and Administration with the approval of the Governor General in Council.

Class II.—Advances under special laws not coming within class I, such as the Bengal Drainage and Embankment Acts, and the Bundelkhund Encumbered Estates Act.

Class III.—Loans to Native States and loans to landlords and notabilities apart from the provisions of any law.

NOTE.—Loans to private individuals should be made only when they have in them some purpose of a public or political character.

Class IV.—Loans to Municipalities (other than Presidency Corporations), District or Local Boards, and other Local authorities, under the Local Authorities Loans Act or any other Act.

NOTE 1.—It is not intended that loans should be made to large Municipalities which have a public credit of their own.

NOTE 2.—The powers of the Local Governments under the Local Authorities Loans Act, 1914, are regulated by rules which are to be found in Government of India, Foreign Department, Notification No. 1020-A., dated the 10th November 1914.

Class V.—Miscellaneous loans and advances which do not fall strictly under any of the above classes.

NOTE.—No loan may be granted under this class without the sanction of the Government of India.

118. These amounts are brought on to an advance and loan account which has been opened with each Local Government. The account was opened with the actual outstanding balance of advances and loans in each province on the 31st March 1888. Further sums are placed at the disposal of Local Governments on a consideration of the available resources of the Government during the ensuing year and of the demands presented. The Local Governments should disburse loan money within the allotments provided in the annual Advance and Loan Account placed at their disposal. The amount of loans to be made should not exceed the net total amount of advance provided for any province; and Local Governments are free to utilise any excess repayments during the currency of the year in making fresh loans and advances.

Interest payable by and to Local Governments.

119. Interest at $3\frac{1}{2}$ per cent. a year is charged to Local Governments on the mean between the outstanding balance at the commencement and the outstanding balance at the close of each year as shown in the books of the Account Office. On the other hand, Provincial Revenues are credited with the full amount of interest received on these loans and advances which without the previous assent of the Government of India shall not be less than 4 per cent., except in the case of advances made under rules sanctioned by the Government of India in which lower rates are allowed. Any sums which it may be necessary to write off as irrecoverable must be at once charged to Provincial Revenues and credited to the advance account.

NOTE.—When Loans to Co-operative Credit Societies (Article 117—I) are granted free of interest, a separate account should be kept and the total deducted from the total balance of the Provincial Loan Account before interest at $3\frac{1}{2}$ per cent. is calculated thereon.

Estimates.

120. In November of each year each Local Government should submit to the Government of India an estimate in Form 14 of the loans proposed to be made and the expected recoveries. Upon a consideration of the several demands and of its available resources, the Government of India will determine what sum is to be allotted for the purposes indicated

in the ensuing year, and will distribute it as nearly as possible in proportion to the necessities of each province. The Government of India does not ordinarily sanction any additional allotments during the currency of a year.

Allotment of Grants.

121. A Local Government should, as far as possible, regulate the transactions of the year according to the sanctioned estimate; and as demands are apt to arise in a sudden and unforeseen way, care should be taken to reserve for such demands such an amount as experience may show to be necessary. Subject to the condition that the total amount sanctioned for net payment on account of loans and advances of all classes coming under the Provincial Loan Account is not exceeded, a Local Government may transfer funds sanctioned for one class to meet demands falling under another class. But no re-appropriations to class III for loans to private individuals are permissible from undisbursed portions of allotments provided for the other classes.

Conditions of Repayment.

122. The following rules apply, so far as the law and existing regulations allow, to all advances of the kind included in the Provincial Loan Account:—

(*a*) The term of loans under the Local Authorities Loans Act may in very special cases extend to 30 years, but ordinarily the advances should be repaid within as short a period as possible.

(*b*) The term is to be calculated from the date on which the loan is completely raised or declared by the Local Government to be closed.

(*c*) It will be optional with each Local Government to fix its own dates for the payment of the instalments.

(*d*) Instalments paid before the due date will be taken entirely to principal, unless, of course, any interest for a preceding period is overdue.

1. When a loan of public money is taken out in instalments, the first half-yearly repayment should not be demanded until six months after the last instalment is taken; meanwhile simple interest only should be realized. But should it appear that there is undue delay on the part of the debtor in taking out the last instalment of a loan, the Local Government may at any time declare the loan closed, and order repayment of capital to begin. The Accountant General should bring to notice any delay that appears to him to require this remedy and he should take this step whether there are any dates fixed for the taking of instalments or not: and even in the case of loans the debits against which arise through the Public Works Department accounts current, the same course should be followed, although the Accountant General may in the first instance make a reference to the Examiner of Public Works Accounts to ascertain the cause of delay.

2. If in any case particular dates in the calendar have been fixed for the payment of interest, or for the repayment of instalments of debt, then such repayments should not begin until the second of the half-yearly dates so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan the interest on which is recoverable

half-yearly to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December, the first half-yearly instalment in repayment of principal will not be due until 31st December following. Simple interest only will be due on the intermediate 30th June.

3. Notes 1 and 2 are applicable, *mutatis mutandis*, to loans the repayments of which are made by other than half-yearly instalments.

Forms of Drawing and Repaying.

123. The vouchers on which a loan or an advance is drawn must quote the authority sanctioning such loan or advance.

124. In repaying a loan or advance, the memorandum presented at the treasury must state the original date and amount of the loan or advance, or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal, the interest must be separately specified; and if the repayment is a fixed periodical amount, including both interest and principal, the orders fixing the amount should be quoted.

1. It must be remembered that the calculation fixing the amount of equal periodical instalments, by which an advance is repaid with interest, presupposes punctual payment of the instalments, and that, if any instalment is not punctually repaid, the fixed instalment will not in the end discharge the loan.

2. A personal advance to a public officer may be repaid, either by deduction in his salary bill, or in cash; but in all cases the amount and date of the advance must be quoted. Remittance of the amount to the particular treasury where the advance was made is not necessary.

Calculation of Interest.

125. A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than a complete half-year will be:—Number of days ÷ 365 × yearly rate of interest.

Defaults in Payment.

126. (*a*) Any default in the payment of interest upon a loan of public money, or in the repayment of the principal, should be promptly reported by the Account Department to the Local Government, and if the loan was sanctioned by the Governor General in Council or the Secretary of State and does not belong to the Provincial Loan Account, to the Supreme Government also. A Local Government receiving such a report should immediately take steps to remedy the default and in the case of a loan sanctioned by the Governor General in Council or the Secretary of State which does not belong to the Provincial Loan Account, should immediately explain the circumstances to the Government of India in the Administrative Department concerned, and report the steps so taken.

NOTE 1.—The responsibility imposed on the Account Department by this rule refers only to the loans the detailed accounts for which are kept up by that Department.

NOTE 2.—In the case of loans granted to Native States the Accountants General also submit annual reports in Form 180-A of Volume II to their respective Local Governments or Administrations by the 1st August, by whom they are forwarded to the Government of India in the Foreign Department with further information regarding loans raised by Native States under Government guarantee and with such remarks as they consider necessary in column 17.

Page 58, Article 126, clause (b).—

Substitute the following for Article 126 (b) as amended by the 9th List of Corrections :—

(*b*) The authority which sanctions a loan may, in so far as the law allows, enforce a penal rate of compound interest upon all overdue instalments of interest, or principal and interest. If a penal rate is enforced it should not be less than 8 per cent per annum.

[*19th List—1-10-17.*]

Article 126, clause (b), page 58—

(As revised by the 8th list of corrections dated 1st April 1915.)

After the word "enforced" in the second line insert the words "as far."

[*9th list—1-7-15.*]

(*b*) A penal rate of compound interest not less than 6 per cent. per annum should be enforced, as the law allows, upon all overdue instalments of interest or principal and interest.

127. Borrowers should be required to adhere strictly to the terms settled for the loans made to them, and no modification in their favour of these terms should be made subsequently, except for very special reasons.

128. (*a*) The following rules define the powers of Local Governments regarding defaults in respect of loans made to local authorities falling within the Provincial Loan Act:—

(1) Local Governments may remit, without reference to the Government of India, the payment of interest on loans to local authorities falling due in ordinary course.

(2) They may also permit the postponement of an instalment in repayment of principal, subject to the condition that the amount of principal overdue at one time on one loan shall not exceed ₹5,000.

(3) Interest necessarily runs upon instalments postponed under rule 2; and it is in the discretion of the Local Government to decide whether such interest shall be at a penal rate, or at the rate which the loan ordinarily bears. Such discretion should be exercised with due regard to the distinction between a default occurring by want of proper arrangements or provision and a default arising from unavoidable circumstances and reported for the previous orders of the Local Government.

(*b*) As regards loans of other classes included in the Provincial Loan Account the Local Governments have full discretion in the matter of remissions and suspensions of interest and principal.

Revenue Advances.

Definition.

129. The following special procedure is prescribed for the drawing and accounting of Revenue Advances which include *takavi* advances, advances under the Land Improvement Acts, and any other advances which revenue officers are allowed or directed to make in connection with Land Revenue, Agriculture, or Famine, under any Act of the Legislature, or under any order of Government.

Treasury Accounts and Procedure.

130. Revenue advances will be issued from the treasury upon orders signed or countersigned by the Collector of the district or other duly authorised officer. The Treasury Department and the Accountant General shall take no further cognizance of these advances, beyond holding them in a separate advance account at the debit of the officer who auth-

Revenue Department Returns.

132. (*a*) With every return of revenue advances made to the Revenue Authorities a memorandum should be submitted setting forth the figures of the treasury plus and minus account, and agreeing them with the figures of the return.

(*b*) The Accountant General will, at the close of every half-year's accounts, send to the Board of Revenue or other Chief Revenue Controlling Authority a return in such form as may be agreed on, showing the figures that pass upon his books in respect of revenue advances. The object of the statement is to enable the Chief Revenue Authority to check the reconciliation prescribed in clause (*a*).

Irrecoverable Loans and Advances.

133. Any irrecoverable loans and advances coming under the Provincial Loan Account may be written off under the orders of the Local Government which may delegate this power in the case of loans and advances under the Land Improvement and Agriculturists' Loans Acts to a subordinate revenue authority subject to such conditions as to amount, etc., as it may think fit to impose. Any Local Government has power to remit advances to cultivators, which are found to be irrecoverable.

134. In the case of Revenue Advances, it shall be the duty of the Revenue Authorities, as soon as any such advance is ascertained to be irrecoverable, to cause the amount of it to be written off the accounts, and to advise the Accountant General, in order that he may charge off the amount as expenditure and direct its being written off the treasury plus and minus memorandum. Such irrecoverable advances should nevertheless be registered by the Revenue Authorities in a separate account or record, in order that any possible eventual recovery may be made; but they will not affect the treasury plus and minus memorandum, and any recoveries will be taken as revenue.

Periodical Review.

135. Local Governments will arrange to receive annual reports upon outstanding loans from the responsible Account Officer, and should then bring the transactions under separate review.

e 55—

penultimate sentence.—

ocal Authorities (Emergency) Loans Act,
of 1912, are defined in the Government of

partment, notification No. 571-A., dated 24th Septem-

Page 55, Article 119 as amended by the 15th List of Corrections.

For the words "4½ per cent" *and* "5 per cent" *in the 1st and the 7th lines, substitute respectively* "5½ per cent" *and* "6 per cent", *and substitute the following for Note 1 :—*

NOTE 1.—The minimum rate of 6 per cent is not applicable to loans sanctioned prior to the 1st April 1917, nor to later instalments of loans already sanctioned, but not taken up in full, before that date, unless a stipulation to the contrary was made when the loans were sanctioned. Similarly, the rate of 5½ per cent chargeable to Provincial Revenues should be applied to loans sanctioned on and from the 1st April 1917, those sanctioned between the 1st October 1916 and the 31st March 1917 being charged at the rate of 4½ per cent, and those sanctioned prior to the 1st October 1916 at 3½ per cent. It will be necessary, therefore, for the purpose of calculating the interest chargeable to Provincial Revenues on the Provincial Loan Account to maintain the accounts of these loans in three classes, *viz.*, those sanctioned prior to the 1st October 1916, those sanctioned between the 1st October 1916 and the 31st March 1917 and those sanctioned on or after the 1st April 1917; and the interest chargeable in any year will consist of (*i*) interest at the rate of 3½ per cent on the mean between the outstandings at the commencement and at the close of the year in respect of loans sanctioned prior to the 1st October 1916 *plus* (*ii*) interest at 4½ per cent on the mean between similar outstanding balances of loans sanctioned between the 1st October 1916 and the 31st March 1917 *plus* (*iii*) interest at 5½ per cent on the mean between similar outstanding balances of loans sanctioned on or after the 1st April 1917.

Chapter 8 as amended by the 8th list of corrections.

Substitute the following for Article 119 and Note :—

119. Interest at 4½ per cent. a year is charged to Local Governments on the mean between the outstanding balance at the commencement and the outstanding balance at the close of each year as shown in the books of the Account Office. On the other hand, Provincial Revenues are credited with the full amount of interest received on these loans and advances which without the previous assent of the Government of India shall not be less than 5 per cent., except in cases in which the Local Governments are definitely empowered to charge a lower rate or to grant loans free of interest, under rules sanctioned by the Government of India. Any sums which it may be necessary to write off as irrecoverable must be at once charged to Provincial Revenues and credited to the advance account.

NOTE 1.—The minimum rate of 5 per cent. is not applicable to loans sanctioned prior to the 1st of October 1916, nor to later instalments of loans already sanctioned, but not taken up in full before that date, unless a stipulation to the contrary was made when the loans were sanctioned. Similarly, the rate of 4½ per cent. chargeable to Provincial Revenues should be applied to loans sanctioned on and from the 1st of October 1916, those sanctioned prior to that date being charged at the rate of 3½ per cent. It will be necessary, therefore, for the purpose of calculating the interest chargeable to Provincial Revenues on the Provincial Loan Account to maintain the accounts of these loans in two classes, *viz.*, those sanctioned prior to 1st October 1916 and those sanctioned on or after that date ; and the interest chargeable in any year will consist of (i) interest at the rate of 3½ per cent. on the mean between the outstandings at the commencement and the close of the year in respect of loans sanctioned prior to 1st October 1916, *plus* (ii) interest at 4½ per cent. on the mean between similar outstanding balances of loans sanctioned on or after that date.

NOTE 2.—When loans to Co-operative Credit Societies (Article 117-1) are granted free of interest, a separate account should be kept and the total deducted from the total balance of the Provincial Loan Account before interest at the rate which the Local Government is charged is calculated thereon.

Revenue Advances and Loans to Public Corporations.

Definition of Revenue Advances.

119. Revenue advances include the following:—

I. Advances to cultivators under various Acts, such as the Land Improvement Loans Act, 1883, and the Agriculturists' Loans Act, 1884, as amended by the Land Improvement and Agriculturists' Loans (Amendment) Act (Act VIII) of 1906, or advances to Co-operative Credit Societies under Act X of 1904.

II. Advances under special laws not coming within class (1), such as the Jhansi Encumbered Estates Act, or the Bengal Drainage and Embankment Act.

III. Loans to Native States, landholders and notabilities apart from the provisions of any law.

IV. Advances for survey operations, such as for erecting boundary marks or for other expenditure on survey which is recoverable from landholders or ryots.

V. Advances of special Revenue Departments, such as Salt and Excise (*e.g.*, for purchase of opium).

Rules under which Advances are made.

120. (*a*) Rules under the Land Improvement, Agriculturists' Loans, and other similar Acts regulating the procedure for making applications for loans, and the conditions under which they may be sanctioned, are passed by each Local Government with the approval of the Governor General in Council. The powers of the Local Government under the Local Authorities Loans Act, 1879, are regulated by rules published under the Act by Notifications Nos. 15 and 16, dated 1st January 1889, and No. 417, dated 24th January 1890. These rules are not in any way affected by the rules in this chapter.

(*b*) Loans to private individuals under class III of the previous article should be made only when they have in them some purpose of a public or political character.

121. As regards loans to Municipalities, District Boards and other public bodies, etc., the special conditions to be insisted on by Local Government before making any loan are—

1st.—Loans may be granted only for works of public and general convenience and utility, such as drainage, water-works, bridges and the like, and also to a limited extent for works which are merely or mainly ornamental or convenient such as a town hall, public garden or market place.

Loans are also granted for the construction of railways to such District Boards as levy a special cess for the purpose.

2nd.—A local body which has borrowed from Government may only borrow from other sources after having obtained the sanction of the Local Government concerned, which should not be granted unless it is clearly shown that the sum lent by the Government with interest thereon is duly secured.

[*N.B.*—This condition is, of course, enforced indirectly through the operation of the rules under the Local Authorities Loans Act, under which the Local Governments are bound to see that the assets and future resources of the borrowing body, when it desires to borrow, are equal to bearing the burden of a further liability as well as to discharging existing ones.]

Provincial Loan Account.

122. Local Governments and Administrations, with which Provincial arrangements are in force, may grant advances coming under classes I to III of Article 119, and loans to Municipalities and Public Corporations (other than Presidency Corporations), including Local Boards,

District Councils and any bodies having like authority beyond the local limits of Municipalities and Cantonments, as well as other miscellaneous loans and advances when especially sanctioned by the Government of India, out of amounts placed annually at their disposal by the Government of India.

NOTE.—It is not intended that loans should be made to large Municipalities which have a public credit of their own.

123. These amounts are brought on to an advance and loan account which has been opened with each Local Government. The account was opened with the actual outstanding balance of advances and loans in each province on the 31st March 1888. Further sums are placed at the disposal of Local Governments on a consideration of the available resources of the Government during the ensuing year and of the demands presented. The Local Governments should disburse loan money within the allotments provided in the annual Advance and Loan Account placed at their disposal. The amount of loans to be made should not exceed the net total amount of advance provided for any province; and Local Governments are free to utilise any excess repayments during the currency of the year in making fresh loans and advances.

124. Interest at 3½ per cent. a year is charged to Local Governments on the mean between the outstanding balance at the commencement and the outstanding balance at the close of each year as shown in the books of the Account Office. On the other hand, Provincial Revenues are credited with the full amount of interest received on these loans and advances which without the previous assent of the Government of India shall not be less than 4 per cent., except in the case of advances made under rules sanctioned by the Government of India in which lower rates are allowed. Any sums which it may be necessary to write off as irrecoverable must be at once charged to Provincial Revenues and credited to the advance account.

NOTE.—When Loans to Co-operative Credit Societies (Article 119—I) are granted free of interest, a separate account should be kept and the total deducted from the total balance of the Provincial Loan Account before interest at 3½ per cent. is calculated thereon.

Estimates.

125. In the case of all these advances provision should be made in the estimates for all which can be foreseen and which are not repayable within the year; and the Government of India has accordingly directed that each Local Government should make a timely estimate both of the advances and of the recoveries of the coming year, and should communicate it to the Accountant General for entry in his estimates.

126. As regards advances and loans coming into the Provincial Loan Account, it has been ordered that in November of each year each Local Government should submit to the Government of India an estimate in Form 14 of the loans proposed to be made and the expected recoveries. Upon a consideration of the several demands and of its available resources, the Government of India will determine what sum is to be allotted for the purposes indicated in the ensuing year, and will distribute it as nearly as possible in proportion to the necessities of each

province. The Government of India does not ordinarily sanction any additional allotments during the currency of a year.

NOTE.—Municipalities occasionally apply for loans, which involve the payment of money to them not only during the year for which the estimates are submitted, but during future years, and which, therefore, not only utilize a part of the Provincial allotment for that year, but practically bind the Government of India to making allotments in future years. Before sanctioning such loans the Local Governments should ascertain from the Government of India whether the Government of India are likely to find any difficulty in providing the necessary allotments from year to year during the currency of the loans; an estimate of the amounts that will be required in the first as well as in each of the succeeding years being furnished by the Local Government on each occasion. The Government of India will then consider whether funds will be available for the purpose, and, if so, will make special allotments for such loans, which will be distinctly specified in the annual Resolution regarding the allotment of funds. Any savings from these specific allotments, due to postponement of the issue of the loans, should be held over and should not be considered as available for other loans.

127. Cancelled.

Allotment of Grants.

128. A Local Government should, as far as possible, regulate the transactions of the year according to the sanctioned estimate; and as demands are apt to arise in a sudden and unforeseen way, care should be taken to reserve for such demands such an amount as experience may show to be necessary. Subject to the condition that the total amount sanctioned for net payment on account of loans and advances of all classes coming under the Provincial Loan Account is not exceeded, a Local Government may transfer funds sanctioned for one class to meet demands falling under another class. But no re-appropriations to class III for loans to private individuals are permissible from undisbursed portions of allotments provided for the other classes.

Conditions of Repayment.

129. The following rules apply, so far as the law and existing regulations allow, to all advances of the kind included in the Provincial Loan Account:—

(*a*) The term of loans under the Local Authorities Loans Act may in very special cases extend to 30 years, but ordinarily the advances should be repaid within as short a period as possible, not exceeding 20 years. The period of repayment of loans which are granted for works which are mainly or merely ornamental or convenient should not exceed 10 years.

(*b*) The term is to be calculated from the date on which the loan is completely raised or declared by the Local Government to be closed.

(*c*) It will be optional with each Local Government and Administration to fix its own dates for the payment of the instalments.

(*d*) Instalments paid before the due date will be taken entirely to principal, unless, of course, any interest for a preceding period is overdue.

1. When a loan of public money is taken out in instalments, the first half-yearly repayment should not be demanded until six months after the last instalment is taken; meanwhile simple interest only should be realized. But should it appear that there is undue delay on the part of the debtor in taking out the last instalment of a loan, the Local Government may at any time declare the loan closed, and order repayment of capital to begin. The Accountant General should bring to notice any delay that appears to him to require this remedy and he should take this step whether there are any dates fixed for the taking of instalments or not: and even in the case of loans the debits against which arise through the Public Woks Department accounts current, the same course should be followed, although the Accountant General may in the first instance make a reference to the Examiner of Public Works Accounts to ascertain the cause of delay.

2. If in any case particular dates in the calendar have been fixed for the payment of interest, or for the repayment of instalments of debt, then such repayments should not begin until the second of the half-yearly dates so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, interest is recoverable half-yearly on a loan advanced under the rules issued under section 5 of the Local Authorities Loan Act, 1879. Supposing such a loan to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December, the first half-yearly instalment in repayment of principal will not be due until 31st December following. Simple interest only will be due on the intermediate 30th June.

3. Notes 1 and 2 are applicable, *mutatis mutandis*, to loans the repayments of which are made by other than half-yearly instalments.

Defaults in Payment.

130. (*a*) Any default in the payment of interest upon a revenue advance class III, or upon a loan to a public corporation, or in the repayment of the principal of any such advance or loan should be promptly reported by the Account Department to the Local Government, and, if the loan was sanctioned by the Governor General in Council and does not belong to the Provincial Loan Account, to the Supreme Government also. A Local Government receiving such a report should immediately take steps to remedy the default, and in the case of a loan sanctioned by the Governor General in Council, which does not belong to the Provincial Loan Account, should immediately explain the circumstances to the Government of India in the Home, Revenue or Public Works Department, as the case may be, and report the steps so taken.

NOTE.—In the case of loans granted to Native States the Accountants General submit annual reports in Form 180-A of Volume II to their respective Local Governments or Administrations by the 1st August, by whom they are forwarded to the Government of India in the Foreign Department with further information regarding loans raised by Native States under Government guarantee and with such remarks as they consider necessary in column 17.

(*b*) A penal rate of compound interest not less than 6 per cent. per annum should be enforced, as the law allows, upon all overdue instalments of interest or principal and interest.

(*c*) Borrowers should be required to adhere strictly to the terms settled for the loans made to them, and no modification in their favour of these terms should be made subsequently, except for very special reasons.

130A. The following rules have been prescribed regarding defaults in respect of loans made to local authorities:—

(1) Local Governments may remit, without reference to the Government of India, the payment of interest on loans to local authorities falling due in ordinary course, in cases in which the loss would be borne by Provincial Revenues.

Page 59—

After Article 130A, insert the following :—

Loans under the Local Authorities (Emergency) Loans Act, 1897, as amended by Act XI of 1912.

130B. The following rules are prescribed for the sanction and grant of loans under the above Act of Local Authorities :—

(*a*) A loan shall not be sanctioned or granted except for the purpose of meeting expenditure such as should ordinarily be met from current revenue.

(*b*) The term of a loan shall ordinarily not exceed 5 years, but in exceptional cases the Local Government may sanction or grant a loan for a period not exceeding 15 years.

N.B.—The term of a loan should be calculated from the date on which the loan is completely made.

(*c*) The previous sanction of the Government of India shall be obtained in cases in which it is desired to sanction or grant a loan (1) with a term of more than 15 years; (2) bearing interest at a lower rate than 4 per cent.; (3) of more than 5 lakhs to any of the following Local Authorities, *viz.*, (*i*) the Municipalities of Calcutta, Madras and Bombay, (*ii*) the Port Trusts of Calcutta, Madras and Bombay.

(2) It may also permit the postponement of an instalment in repayment of principal, subject to the condition that the amount of principal overdue at one time on one loan shall not exceed ₹5,000.

(3) Interest necessarily runs upon instalments postponed under rule 2; and it is in the discretion of the Local Government to decide whether such interest shall be at a penal rate, or at the rate which the loan ordinarily bears. Such discretion should be exercised with due regard to the distinction between a default occurring by want of proper arrangements or provision and a default arising from unavoidable circumstances and reported for the previous orders of the Local Government.

(4) The powers above defined may be exercised in regard to loans falling within the Provincial Loan Account only. The grant of further concessions in regard to such loans or the grant of concessions in regard to other loans, requires the previous sanction of the Government of India.

Treasury Accounts and Procedure.

131. Revenue advances will be issued from the treasury upon orders signed or countersigned by the Collector of the district or other duly authorised officer. The Treasury Department and the Accountant General shall take no further cognizance of these advances, beyond holding them in a separate advance account at the debit of the officer who authorises the advance. For all further accounts and supervision, the Revenue Department shall be responsible.

NOTE.—*Takavi* advances may be made either direct to the parties concerned and on their receipt (stamped when necessary) or in lump sums on abstract bills to officers disbursing *takavi*.

In the former case the charges should be supported by actual payees' receipts or where these are required for the Revenue Office by a certificate from the Collector or other duly authorised officer to the effect that the payments have been made to the proper parties and their receipts duly taken and filed in the Revenue Office.

In the latter case the following safeguards should be adopted :—

(1) No officer disbursing *takavi* should be allowed to draw a second abstract bill without producing a detailed bill to account for the amounts already disbursed from the last advance taken, any balance left being at the same time refunded into the Government treasury. In no case should the submission of the detailed bill be delayed beyond the end of the month following that in which the advance was drawn from the treasury.

The disbursing officers should be directed to take the receipts of the payees on the spot as soon as the advances have been made, and to certify at the foot of the detailed bill that the advances were duly sanctioned by them and paid in their presence.

Payees' receipts need not be sent with the detailed bill and their names need not be shown in it.

(2) Collectors should prescribe a money limit for the amount which can be drawn on abstract bills by each officer with due regard to the circumstances of each case.

Plus and Minus Memorandum.

132. (*a*) In every treasury whence revenue advances have been made, one or more plus and minus memoranda should be kept, in which the

advances should be debited and all recoveries credited. One of these plus and minus memoranda shall be the ordinary account of revenue advances and other special accounts shall be opened from time to time for any special officers authorised to make advances, who may, under the orders of the Revenue Authorities, keep and submit accounts separate from the general account of the district officer.

(*b*) The plus and minus memoranda maintained under clause (*a*) will be submitted with the monthly treasury accounts, and will be under the order of the Accountant General, whose care it will be that they accurately represent the credits, debits and balances that pass upon his accounts in respect of revenue advances of the district or officer concerned.

(*c*) No officer authorized to make advances may question the accuracy of the plus and minus memorandum as the record of his responsibility, otherwise than by satisfying the Accountant General of its erroneousness, and causing him to correct it. Every officer, therefore, should see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns. If he is not the District Officer, he should obtain from the treasury a copy of the plus and minus memorandum with which he is concerned. Special care should be taken in paying recoveries into the treasury that the amount of interest and of principal recovered be separately and distinctly credited, as the former must not, and the latter must, be credited in the plus and minus memorandum.

Revenue Department Returns.

133. (*a*) With every return of revenue advances made to the Revenue Authorities a memorandum should be submitted setting forth the figures of the treasury plus and minus account, and agreeing them with the figures of the return.

(*b*) The Accountant General will, at the close of every half-year's accounts, send to the Board of Revenue or other Chief Revenue Controlling Authority a return in such form as may be agreed on, showing the figures that pass upon his books in respect of revenue advances. The object of the statement is to enable the Chief Revenue Authority to check the reconciliation prescribed in clause (*a*).

Irrecoverable Advances.

134. (*a*) Any irrecoverable advances coming under the Provincial Loan Account may be written off under the orders of the Local Government which may delegate this power in the case of loans and advances under the Land Improvement and Agriculturists' Loans Acts to a subordinate revenue authority subject to such conditions as to amount, etc., as it may think fit to impose. Any Local Government has power to remit advances to cultivators, which are found to be irrecoverable.

(*b*) It shall be the duty of the Revenue Authorities, as soon as any advance is ascertained to be irrecoverable, to cause the amount of it to be written off the accounts of revenue advances, and to advise the

Pages 61-62, Article 136 (a).—

Substitute a comma for the full-stop at the end of the first sentence as revised by the 16th List of Corrections, dated the 2nd January 1917, and add the following :—

" and Resolution No. 562 A, dated the 19th November 1917. "

Substitute the following for the existing Rule IV :—

Rule IV :—No advance shall exceed twelve months' salary of the officer to whom it is made ; not more than one advance shall be made for the same house ; and no officer may receive a second advance while any portion of a previous advance is outstanding against him.

Cancel Rule IX.

Accountant General, in order that he may charge off the amount as expenditure and direct its being written off the treasury plus and minus memorandum.

(*c*) Irrecoverable advances should nevertheless be registered by the Revenue Authorities in a separate account or record, in order that any possible eventual recovery may be made; but they will not affect the treasury plus and minus memorandum, and any recoveries will be taken as revenue.

Periodical Review.

135. Local Governments will arrange to receive annual reports upon outstanding loans from the responsible Account Officer, and should then bring the transactions under separate review.

House-Building Advances.

136. (*a*) Advances to public officers for house-building are regulated by Rules laid down in Government of India, Financial Resolution No. $\frac{A.}{2721}$, dated 30th June 1892, as amended by No. 4678-A., dated 20th August 1906.

I.—Advances may be made, under the sanction of Local Governments and Administrations, Heads of Departments and Commissioners of Divisions to officers who desire to build houses, for occupation by themselves, at places where no houses are available, or where house-rent is exceptionally high. No advance is permissible for the construction of a house except at the place in which the officer is actually serving, or at which he is permitted to reside while in active service.

NOTE.—The Local Government may by special orders withdraw or restrict the powers of sanction under this rule exercised by Heads of Departments and Commissioners.

II.—All such advances must be *bonâ fide* required for the purpose of building suitable houses for the personal residence of the officers concerned, and if more is advanced than shall be actually expended for the purpose, the surplus shall be refunded to Government.

III.—The advances may be made in instalments when considered desirable, and when so made, repayment shall commence from the fourth issue of pay after the first instalment is taken; but when the advance is taken in one instalment, repayment shall commence with the second issue of pay. The repayment of the whole advances shall in both cases be completed in two years.

IV.—No advance shall exceed six months' salary of the officer to whom it is made; and not more than one advance shall be made for the same house.

V.—Recovery will be made by the Treasury Officer, or other disbursing officer, deducting monthly instalments equal to one-twenty-fourth part of the advance from the salary bills of the officer concerned.

VI.—In order to secure Government from loss consequent on an officer dying or quitting the service before complete repayment of the advance, the house so built, together with the land it stands upon, must be mortgaged to Government, by whom the mortgagee will be released on liquidation of the full amount of the advance.

NOTE.—The mortgage bond will be prepared in Form 14A.

VII.—The officer must satisfy Government regarding his title to the land upon which the house is or is proposed to be built.

VIII.—An officer quitting or removed from the station where he has built a house, before the whole amount of the advance has been liquidated, will continue liable to the deduction of his monthly instalment until the advance has been repaid; but, with the special sanction of the Local Government, he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due; or to transfer it to any officer of his own or higher rank, the future deductions being made from the salary of such officer.

IX.—An officer may, after transfer to a new station, be allowed a second advance, provided the former one has been completely repaid.

X.—Applications for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government.

XI.—The last-pay certificate granted to officers under advances must specify the original amount of such advance, the amount repaid and the balance remaining due.

(*b*) An advance may be made to an officer in the Civil Department in exceptional circumstances, for the purchase of a house in places where house-rent is exceptionally high; the general principles of clause (*a*) being applicable, and the officer being required, in addition to a mortgage-deed, to deposit with Government satisfactory evidence of a clear title to the house.

1. Advances to officers of the Postal and other departments must be debited to those departments and not retained in the Civil Books.
2. The 'net' amount of advances granted under these rules should not exceed the amount provided in the sanctioned Budget Estimate of ways and means.

Miscellaneous Advances.

137. Advances may be made under the rules specified below:—

(*a*) Under special orders of a Local Government, subject to adjustment by the officers receiving them.

Page 62, Article 136 (*a*), VI, Note—

Insert the following after the words " Form 14A." " and the r
conveyance in Form 14AA."

[*List—1-6-13.*

Page 62, Article 136 (b)—

In Note 1 under this clause, for " Postal " *substitute* " Postal and Telegraph

[*18th List—2-7-17.*]

Page 62, Article 136 (a).—

Add the following at the end of the Note below Rule VII of this Article :—

In examining the mortgagor's title care should be taken to see that the lease does not prevent any subdemise by the lessee (the mortgagor). The mortgage bond in such cases will be prepared in Form No. 14 B.B.

Page 62, Article 136 (b)—

In Note 1 under this clause, for "Postal" *substitute* "Postal and Telegraph."

Pages 62-67, Article 137.—

Insert the following as an 'N.B.' after clause (g) of this article :—

N.B.—The advances mentioned in clauses (*d*), (*e*), and (*g*) are treated as final charges, not as advances recoverable, and are to be drawn and accounted for as contingent charges or travelling expenses of establishments.

Substitute the following for clause (h) of this article :—

(*h*) Under the rules issued for the guidance of patients proceeding to a Pasteur Institute for anti-rabic treatment.

NOTE.—The rules issued by the Government of India in respect of the Pasteur Institute at Kasauli are given in Appendix C C. Similar rules framed by Local Governments in respect of the Institutes at Coonoor, Shillong and Rangoon will be found in the Manuals of the local audit officers concerned.

Pages 63-64, Article 137(*h*)—

Substitute the following for this Article :—

I(1). Any Government servant who has difficulty in finding at once the means to enable him to proceed to the Pasteur Institute at Kasauli or Coonoor, and whose substantive pay exceeds ₹100 but does not exceed ₹500 a month, may be granted an advance sufficient to defray his actual travelling expenses to Kasauli or Coonoor and back, namely, (*a*), a single fare each way by railway of the class by which he is entitled to travel on duty ; (*b*) for journeys by road or by river and ocean steamers, the actual cost of transit, not exceeding the amount admissible under rule. He may also be given an advance of one month's pay and be granted one month's casual leave, or when the appointment of a substitute is found necessary one month's extra privilege leave, any leave required in excess being treated as privilege or sick leave. The sums thus advanced will be recovered in not less than three, but not more than 12, monthly instalments.

(2) Any Government servant, who has been bitten by a rabid animal and who is too poor to proceed to Kasauli or Coonoor at his own expense, may, provided that he is drawing not more than a substantive pay of Rs. 100 a month, be granted :—

(*a*) his actual travelling expenses to Kasauli or Coonoor and back not exceeding the amount admissible under the rule laid down in clause (1) above ;

NOTE.—Government servants of the 3rd and 4th classes (as defined in Article 1002 of the Civil Service Regulations) may, however, be granted their full actual expenses for journeys by road at the discretion of Local Governments.

(*b*) an advance of one month's pay ; and

(*c*) one month's casual leave or, when the appointment of a substitute is found necessary, one month's extra privilege leave, any leave required in excess being treated as privilege or sick leave.

(3) Government servants drawing not more than ₹25 per month are entitled to maintenance allowance during treatment, as well as during the journey to and from the Pasteur Institute, at the rates of daily allowance admissible to officers of the 3rd and 4th classes, as the case may be, under Article 1063 of the Civil Service Regulations.

(4) Any Government servant drawing a substantive pay of not more than ₹500 a month may, if a member of his family is bitten by a rabid animal and he has difficulty in finding at once the means of sending him or her to the Pasteur Institute, be granted an advance not exceeding the actual travelling expenses, as defined in clause (1) above, of the person bitten, to Kasauli or Coonoor and back, *plus* one month's pay. The advances will be recoverable in the same manner as those referred to in clause (1) above.

(5) Any indigent person unconnected with the public service, who, in the opinion of any officer authorised to grant the concession, is unable to proceed to the Pasteur Institute at his own expense, may be granted—

(*a*) 3rd class fare by rail, if not receiving a railway concession and actual expenses of journey by road, river or ocean steamer, as the case may be, to Kasauli or Coonoor and back ;

(*b*) Maintenance allowance at the following daily rates :—Europeans and Anglo-Indians, ₹1 during the journey and ₹2-8 during treatment, Indians 4 annas a day during the journey and 6 annas a day during treatment.

(6) Indigent persons, including women, children under 16 years of age, and men who are by reason of age or other sufficient cause incapable of travelling alone, may be allowed one attendant to accompany them to the Institute. Such attendant may be granted the travelling expenses and maintenance allowance at the rate sanctioned for patients and also wages not exceeding 4 annas a day, in cases where the despatching officer is satisfied that the patient is unable to pay the daily expenses of the attendant. This concession is also admissible to Government servants (but not their families) drawing not more than ₹100 a month.

II. The following is a short summary of the rules and regulations which have been laid down by the Government of India and Madras for the administration of the above concessions :—

(1) Any Government servant, not below such rank as may be fixed by the Local Government, is empowered to grant the abovementioned concessions and to authorise the immediate departure for Kasauli or Coonoor of any of the classes of persons specified, whether Government servants or indigent persons unconnected with the public service.

(2) An intimation is to be sent immediately by the despatching officer direct to the Director of the Pasteur Institute, stating—

(*a*) whether the person relieved is (1) a Government servant; (2) a Local Fund or Municipal servant; or (3) an indigent person; and, in the case of (2) and (3), whether the cost is to be borne by General, Provincial or Imperial revenues or any local or municipal fund; and from what source the charge for the forward journey was met;

(*b*) the class to which the person, if a Government servant, or Local Fund or Municipal servant, has been treated as belonging for the purpose of travelling allowance;

(*c*) the amount of travelling allowance (by rail, road, and river or ocean steamer) advanced;

(*d*) the number of days for which, and the rate at which, maintenance allowance has been advanced.

NOTE.—This intimation should be sent with the patient, or as soon after as possible, because all claims submitted for maintenance allowance or return journey expenses subsequent to the departure of the patient are rejected by the Treasury Officer, Kasauli or Coonoor, as inadmissible.

(3) Allowance for certified indigents, and when admissible for their attendants also, will be drawn as follows :—

(*a*) Maintenance charges for days spent at Kasauli or Coonoor will be advanced by the Director of the Institute and recovered by him from the local Treasury Officer. No refund will be made by the Treasury Officer for any advance made unless vouched for by a certificate stating indigence and the fund from which the expenditure is to be met.

Article 137 (*h*), pages 63-64, as amended by the 3rd list of corrections, dated 30th September 1913 :—

Insert the following note under Article 137 (h) :—

NOTE.—Local Governments may at their discretion sanction the following concession in respect of the expenses of the attendants of families of Government servants whose pay does not exceed R100 per mensem :—

If a member of the family of a Government servant whose pay does not exceed R100 per mensem is bitten by a rabid animal an advance for travelling expenses for an attendant, if necessary, may be given to a similar amount, and subject to the same conditions of recovery as for the patient. If his pay does not exceed R50 a month, or if, in the opinion of the Commissioner of the Division or the Head of the Department, special circumstances exist which warrant the grant of an extended concession to a person drawing not more than R100 a month, the recovery of the amount advanced as travelling expenses may be waived altogether or in part.

(*b*) Travelling allowances and maintenance charges for the return journey will be paid by the Treasury Officer at Kasauli or Coonoor at the same rates as were allowed for the journey to the Institute.

This bill will be supported by the original intimation received from the officer who is responsible for the original advance.

A discharge certificate from the Director should also be attached to this travelling allowance bill.

(4) The Director may also make advances to indigent persons who come to Kasauli or Coonoor at their own expense, but are unable to maintain themselves there or to pay for their return journey. The possibility of recovering these advances should then be investigated in the following manner :—The Director should correspond direct with the officers in charge of the districts to which the patients, to whom advances have been made, say they belong, and should ask them to take over for investigation claims in respect of the advances made. District officers should take over these claims as soon as they are satisfied that the persons who received the advances actually belong to their districts and should inform the Director that they have done so. The Director should then recover the amounts advanced from the treasury, producing the district officer's "acceptances" as vouchers, and the claims should then be passed on to the provinces concerned to be adjusted as the amounts advanced are recovered or written off under the local rules.

Any sum which is found to be irrecoverable after being passed on to a district officer will be debited to the province concerned as a provincial charge under the head 32.—Miscellaneous—Miscellaneous charges for the treatment of patients at the Pasteur Institute, Kasauli or Coonoor. Otherwise, *i.e.*, if no district officer takes over the claim, the Director will send to the Treasury Officer a certificate to this effect, on which the advance will be refunded to the Director. The amount will then be adjusted finally in the books of the Accountant-General, Punjab or Madras, as the case may be, under the head specified above.

(5) With regard to the indigent patients who are sent for treatment from the Pasteur Institute to the Civil Hospital, Kasauli, or the Municipal Hospital, Coonoor, the Director will, in the first instance, defray the expenses connected with their diet and hospital charges, and in the case of death, of their burial or cremation, as the case may be, and recover the cost in the same way as in the cases referred to in clauses 3 (*a*) and 4 above.

Page 63—Article 137 (b).

Cancel note 1 under clause (b) of this Article, reading 'Note *for* 'Note 2' *under the clause.*

15th list—1-11-16.

***Page** 63, Article 137 (h)—*

At the end of this Article *add* the following as a note :—

"NOTE.—The concessions granted to Government servants in this Article are admissibl to holders of temporary, as well as, permanent appointments. In the case of the former the pay or acting allowance which they draw in their temporary or officiating posts respec tively should be taken as substantive pay for the purposes of the rules."

5th list, 1-4-14.

(*b*) To an officer under orders of transfer, to an amount not exceeding one month's pay, and also not exceeding the amount of expenditure which he is likely to incur by reason of his transfer, or to an amount not exceeding the travelling allowance to which he may be entitled under the rules in consequence of the transfer, when this exceeds one month's pay. Such advances may be sanctioned by any officer who is not lower in rank than the Principal District Officer in the department concerned; and the advance should be recorded on the officer's last-pay certificate and recovered from the salary of the officer in three equal instalments.

NOTE 1.—Ordinarily the amount to be recovered monthly in adjustment of such advances should not be affected by the fact of an officer going on furlough or sick leave on half pay; but the instalments may be reduced if the Local Government so directs.

NOTE 2.—Civil Authorities in the Madras Presidency may also grant advances of pay sufficient to enable military pensioners to join their first appointments in the Civil Department.

(*c*) To a Survey Officer, to enable him to join his first appointment, on the requisition of the Surveyor General. The requisition and the officer's receipt must be submitted in support of the charge.

(*d*) To an Officer, for himself or an Assistant or Deputy, proceeding on tour, to an amount sufficient to cover his tour charges for a month, subject to adjustment upon his return to head-quarters or upon 31st March, whichever is earlier.

NOTE 1.—Advances granted under this clause should not be applied to the expenditure of any gazetted officer except an officer of the Forest Department which is meant to be covered by his travelling allowance.

NOTE 2.—The Surveyor General may advance to officers of the Provincial and Upper Subordinate Services any sum not exceeding R300 towards the purchase money of riding horses or riding camels on condition that the advances are refunded in the pay bills of those officers in three monthly instalments in the case of Provincial officers and six monthly instalments in the case of Upper Subordinate officers.

NOTE 3.—A second advance cannot be made to the same officer under this article until the first has been accounted for.

NOTE 4.—All officers of the Indian Finance Department, who may in special cases be required to undertake inspection work involving long and expensive tours, may at the discretion of the head of their office, or of the Comptroller and Auditor General, when the touring officer is himself the head of an office, be allowed to draw advances of travelling allowance for the purpose, subject to adjustment on completion of their tours. Such advances are not to be granted as a matter of course but only on occasions when the cost of travelling cannot be promptly recouped and is so heavy as to be a serious tax on an officer's private resources.

(*e*) To a Treasury Officer or District Superintendent of Police, for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.

(*f*) To Receivers of wrecks under sections 77 and 78 of the Merchant Shipping Act, VII of 1880.

(*g*) For law-suits to which Government is a party.

(*h*) I. ~~To any Government servant who has been bitten by a rabid animal and who is too poor to proceed to Kasauli or~~

Coonoor at his own expense may, provided that his substantive pay is not more than ₹100 a month, be granted—

(*i*) his actual travelling expenses to Kasauli or Coonoor and back, namely, (*a*) a single fare each way by railway of the class by which he is entitled to travel on duty, (*b*) for journeys by road or by river and ocean steamers, the actual cost of transit, not exceeding the amount admissible under rule. In the case of officers of the third and fourth classes (as defined in Article 1002 of the Civil Service Regulations) actual expenses may be granted for journeys by road at the discretion of Local Governments.

NOTE.—The expenses for the return journey on the same scale should be paid to the patient at Kasauli or Coonoor after the treatment has been undergone, by the Treasury Officers at those stations, on production of a discharge certificate from the Director of the Institute and of the original intimation which will have been furnished under Rule VI below by the officer sanctioning the patient's despatch to the Director and which will show the class to which the patient has been treated as belonging for the purpose of travelling allowance.

(*ii*) an advance of one month's pay to be recovered by instalments on the usual scale;

(*iii*) one month's casual leave or extra privilege leave when the appointment of a substitute is found necessary, any leave required in excess being treated as ordinary, privilege or sick leave.

NOTE.—The Local Government may also at their discretion, grant in addition, to officers drawing not more than ₹25 per mensem, maintenance allowance, equal to the daily allowance admissible when under treatment at a Pasteur Institute and for the period spent in the journey to and from a Pasteur Institute.

II. To any Government servant who has a difficulty in finding at once the means to enable him to proceed to an Institute and whose substantive pay exceeds ₹100 but does not exceed ₹500 a month, may be granted an advance not exceeding the amount admissible under Rule I (*i*) and may also be given the concessions specified in I (*ii*) and (*iii*) above. The sums thus advanced will be recovered by instalments on the usual scale.

NOTE.—Local Governments may allow the repayment of those advances in more than three but not more than twelve instalments when they consider that the enforcement of the ordinary rule would cause hardship. This power may be delegated to Heads of Departments and Commissioners of Divisions.

III. To any Government servant drawing not more than ₹500 a month, a member of whose family is bitten by a rabid animal and who has a difficulty in finding at once the means of sending him or her to a Pasteur Institute, may be granted an advance not exceeding the actual travelling expenses (as defined in Rule I above) of the person bitten, to Kasauli or Coonoor and back plus one month's pay. The advances will be recovered in the manner indicated in Note to Rule II.

IV. To indigent persons who come to Kasauli or Coonoor at their own expense, but are unable to maintain themselves there

Page 64—Article 137(h)—

Substitute the followiug for Rule 1 (2) (b) under clause (h) of this article as introduced by the third list of corrections dated the 30th September 1913 :—

"(b) an advance of one month's pay which will be recovered in not less than three, but not more than twelve, monthly instalments; and"

15th list—1-11-16.

or to pay for their return journey, an advance may be made by the Director.

NOTE.—In such cases the Director will correspond direct with the officers in charge of the districts to which the patients, to whom advances have been made, say they belong, and will ask them to take over for investigation claims in respect of the advances made. District Officers will take over these claims as soon as they are satisfied that the persons who received the advances actually belong to their districts and will inform the Director that they have done so. The Director will then recover the amounts advanced from the treasury, producing the District Officers' " acceptances " as vouchers, and the claims will then be passed on to the Provinces concerned—to be adjusted as the amounts advanced are recovered or written off under the local rules.

IV-A. With regard to indigent patients who are sent for treatment, from a Pasteur Institute to the Civil Hospital, Kasauli, or the Municipal Hospital, Coonoor, the Director may, in the first instance, defray the expenses connected with their diet and in the case of death, of their burial or cremation, as the case may be, and recover the cost in accordance with the procedure laid down in Rules II and IV above.

V. Subject to such further rules as the Local Government may make any indigent person unconnected with the Public Service who, in the opinion of any officer authorised to grant the concession, is unable to proceed to a Pasteur Institute at his own expense, may be granted his actual travelling expenses to Kasauli and Coonoor and back, namely, (*a*) a single third class fare each way by railway, (*b*) for journeys by road, or by river and ocean steamers, the actual cost of transit, (*c*) maintenance allowance, at the following daily rates:—Europeans and Eurasians ₹1 during the journey and ₹2-8 during treatment. Natives 4 annas during the journey and 6 annas during treatment.

NOTE.—The expenses for the return journey should be paid to the patient at Kasauli or Coonoor, after the treatment has been undergone, by the Treasury Officer at those stations on production of a discharge certificate from the Director of the Institute and the intimation referred to under I (*i*) above.

VI. Any officer authorised to grant these concessions may allow an attendant to accompany patients to a Pasteur Institute, in cases of women, children under 16 years of age, and men who are by reason of age or other sufficient cause, incapable of travelling alone, where their services are absolutely necessary. Any such attendant shall be granted—

(*i*) travelling expenses and maintenance allowance at the rate sanctioned for patients, and

(*ii*) wages not exceeding 4 annas a day, in cases where the despatching officer is satisfied that the patient is unable to pay the daily expenses of the attendant.

These charges will be borne by the revenues to which the charges on account of the patient are debited.

VII. Any Government servant not below such rank as may be fixed by the Local Government shall be empowered to grant the above-mentioned concessions and to authorise the imme-

diate departure for Kasauli or Coonoor of any of the classes of persons specified, whether Government servants or indigent persons unconnected with the public service.

VIII. When a patient is sent to a Pasteur Institute under the above rules, the officers sanctioning the patient's despatch will send forthwith and, if possible, with the patient an intimation direct to the Director of the Institute stating—

(1) whether the person relieved is (*a*) a Government officer, (*b*) local fund or municipal servant, or (*c*) indigent person, and in the case of (*b*) and (*c*) whether the cost is to be borne by general revenues or any local or municipal fund;

NOTE.—When the information about the incidence of the charge is not available at once, it should follow the intimation to the Director as soon as possible.

(2) the class to which the person, if a Government servant or local fund or municipal servant, has been treated as belonging for the purpose of travelling allowance;

(3) the amount of travelling allowance (by rail and road) advanced; and

(4) the number of the days for which and the rate at which maintenance allowance has been advanced.

NOTE.—The advances mentioned in clauses (*d*), (*e*), (*g*) and (*h*) I (*i*), V and VI are treated as final charges, not as advances recoverable, and are to be drawn and accounted for as contingent charges or travelling expenses of establishments.

(*i*) "Under special orders of a Local Government or Administration, to a touring officer for the purchase of a motor car or a motor boat, subject to the following conditions:—

i. An Advance will be given only when the Local Government considers that it is in the interest of the public service that the officer should use a car or a boat in the discharge of his duties.

ii. The total amount to be advanced to an officer shall not exceed ₹7,500 or four months' pay, whichever is less. Local Governments and Administrations may, however, base the amount, at their discretion, on salary, instead of pay proper, when an officer is acting in one appointment or in a grade from which he is not, in their opinion, likely to revert for any length of time during the period of repayment.

iii. An officer on leave in England for whom an advance has been approved by the Local Government or Administration concerned, will be allowed to take it from the Secretary of State a month before his departure for India.

iv. Recovery will be made by deducting monthly instalments equal to one-thirty-sixth part of the advance from the salary bill of the officer concerned,

Page 66, Article 137(i)—

Delete the word 'touring' from line 2 and substitute 'an' for 'a' before 'officer' in the same line.

Page 66, Article 137(i)—

Add the following as clauses (v) and (vi) of this Article :—

(v) Except when an officer proceeds on long leave, or retires from the service, or is transferred to an appointment the duties of which do not render the possession of a motor car necessary, the previous sanction of the Local Government is necessary to the sale by him of a car which has been purchased with the aid of an advance which has not been fully repaid. If an officer wishes to transfer such a car to another officer who performs duties of a kind that renders the possession of a motor car necessary, the Local Government may permit the transfer of the liability attaching to the car to the latter officer, provided that he records a declaration that he is aware that the car transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(vi) In all cases in which a car is sold before the advance received from Government for its purchase has been fully repaid, the sale proceeds must be applied, so far as may be necessary, towards the repayment of the outstanding balance.

Pages 66-67, Art. 137 (*i*), Rule iii—

Read "six weeks" for "a month" in line 4 of the rule and substitute the following for Note 1 to Rule iv of the Article :—

"NOTE 1.—Officers drawing the advance will be required to execute a mortgage bond in the form 14 B or a personal security bond in the form prescribed by the Secretary of State for India in Council, according as the advance is drawn in India or in England."

Page 67.

Insert the following as Article 137 A:—

137 A. The amount to be recovered monthly in adjustment of advances, whatever their nature, should not be affected by the fact of an officer going on furlough or sick leave on half pay or on subsistence allowance ; it is, however, open to the Local Government to order a reduction in any case in which they deem it right to do so.

15th list—1-11-16.

Article 137 (*i*), page 67—

Insert the following as a note under this article numbering it as Note 5:—

"NOTE 5.—Advances for the purchase of motor cars to Government servants in foreign employ should be granted from the funds of the foreign employer and when the latter desires to make such an advance, he should apply to the Local Government of the Province to which the officer belongs for the necessary sanction. The Local Government may grant sanction in such cases subject to the proviso that the advance should be regulated by the same conditions as would apply if the officer were serving directly under Government."

7th List—15-1-15.

Article 137 (*i*), page 67—

Add the following as Note 6 under this article:—

NOTE 6.—The "net" amount of advances granted in any year under this rule should not exceed the amount provided in the Debt and Deposit Estimates for each province.

8th List—1-4-15.

Page 67—Article 137.

Add the following new clause, numbering it as (ii)—

(*ii*) Under special orders of a Local Government or Administration, to a gazetted or non-gazetted officer not holding an Imperial appointment as defined in Article 29 B, of the Civil Service Regulations, for the purchase of means of conveyance other than a motor car or a motor cycle, subject to the following conditions :—

(i) An advance will be given only in connection with first appointment to duties involving touring.

(ii) The total amount to be advanced to an officer shall not exceed two months' salary or Rs. 250, whichever is greater.

(iii) Recovery will be made, unless the Local Government otherwise specially direct, by deducting monthly instalments equal to one-twelfth part of the advance from the salary bill of the officer concerned.

(iv) The article purchased with the advance will be considered to be the property of Government until the advance is repaid.

Page 67, Article 137—

Add the following at the end of Note 4 (as renumbered by the 10th list of Corrections, dated the 1st October 1915) under clause (*i*) of this Article:—

In special cases, however, where an officer's services have been lent to a Municipality whose financial position will not permit of the advance being made from its funds, the Local Government may, at its discretion, sanction advances from general revenues, provided the officer's duties are such as to render the possession of a motor-car practically a necessity.

14th List—1-7-16.

Page 67, Article 137—

Substitute the following for clause (*j*) as introduced by the 10th List of Corrections, dated the 1st October 1915 :—

(*j*) Under special orders of a Local Government or Administration, to an officer for the purchase of a motor-cycle, subject to the following conditions :—

(*i*) That the advance is given only when the Local Government or Administration considers that it is in the interest of the public service that the officer should use a motor-cycle in the discharge of his duties.

(*ii*) That the pay of the officer does not exceed Rs. 800 a month.

(*iii*) That the amount of the advance does not exceed Rs. 1,000.

(*iv*) That the recovery is made by deducting monthly instalments equal to one-twenty-fifth part of the advance from the salary bill of the officer concerned.

NOTE 1.—Officers drawing the advance will be required to execute a mortgage bond in form 14-B. of the Civil Account Code, Volume I, or a personal security bond in the form prescribed by the Secretary of State for India in Council, according as the advance is drawn in India or in England.

NOTE 2.—Note 1 under clause (*b*) of Article 137 of the Civil Account Code applies to this class of advance also, provided that the whole advance must in any case be recovered within 25 months from the month following that in which it is made.

NOTE 3.—Departments of the Government of India and heads of Imperial Departments exercise the powers of a Local Government for the purpose of the rule in the case of officers serving under them.

NOTE 4.—Advances for the purchase of motor-cycles to Government servants in foreign employ should be granted from the funds of the foreign employer, and when the latter desires to make such an advance, he should apply to the Local Government of the province to which the officer belongs for the necessary sanction. The Local Government may grant sanction in such cases subject to the proviso that the advance should be regulated by the same conditions as would apply if the officer were serving directly under Government. In special cases, however, where an officer's services have been [illegible] financial position will not permit of the advance being made from its funds, Government may, at its discretion, sanction advances from provincial revenues, provided the officer's duties are such as to render the possession of a motor-cycle practically a necessity.

NOTE 5.—The "net" amount of advances granted in any year under the rule should not exceed the amount provided in the Debt and Deposit Estimates for each province.

Page 67, Article 137—

Delete Note 4 to Article 137 (*i*) renumbering Notes 5 & 6 as 4 & 5.

Insert the following as clause (*j*) renumbering existing clause (*j*) as (*k*).

(*j*) Under special orders of a Local Government or Administration, to an officer for the purchase of a motor cycle, subject to the following conditions :—

(*i*) That the pay of the officer does not exceed Rs. 800 a month.

(*ii*) That the amount of the advance does not exceed Rs. 1,000.

(*iii*) That the recovery is made by deducting monthly instalments equal to one-twenty-fifth part of the advance from the salary bill of the officer concerned.

NOTE 1.—Officers drawing the advance will be required to execute a mortgage bond in the Form 14B ~~or in that prescribed by the Bills of Sale Amendment~~ Act, 45 and 46 Vict., clause 43, according as the advance is drawn in India or in England.

NOTE 2.—Note 1 under clause (*b*) of Article 137 of the Civil Account Code applies to this class of advance also, provided that the whole advance must in any case be recovered within three years from the month following that in which it is made.

NOTE 3.—Departments of the Government of India and heads of Imperial Departments exercise the powers of a Local Government for the purpose of the rule in the case of officers serving under them.

NOTE 4.—These rules do not apply to the purchase of motor cycles.

(*j*) To an Assistant Superintendent of Police, in whose case the Secretary of State has dispensed with the ordinary condition of appointment, namely, that he shall be supplied by his parents or guardian (*a*) with either a uniform or its price, and (*b*) with not less than £50 for the purchase of a horse and saddlery in India, an advance not exceeding ₹1,000 to be recovered, without interest, in equal instalments of ₹50 per mensem. Repaym nt need not begin until six months after the officer's arrival in this country.

Marine Advances.

138. Officers commanding ships of the Indian Marine Department will be furnished with warrants in Form 15, on presentation of which, accompanied by a requisition in duplicate in Form 16, they may draw from the civil treasury such sums as they may require for the pay of the officers and crew, and for petty contingencies. The Treasury Officer will note the advance on the warrant which he will return to the officer receiving the money, and will forward the *original* requisition to the Controller of Marine Accounts, Calcutta, keeping the *duplicate*, duly receipted, as the voucher for his Treasury Cash Account.